GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3579
ANSWERED ON:12.12.2000
MEGA FERTILIZER PROJECTS
DAGGUBATI RAMANAIDU

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Public Investment Board has asked the Government to reconsider its decision to set up four mega fertilizer projects;

(b) if so, the details in this regard; and

(c) the final decision taken by the Government in the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a) to (c) : In April,1999, Government had given `in principle` approval to the following four urea projects of Public Sector Undertakings/Cooperative Societies, subject to investment appraisal of these projects by the Public Investment Board (PIB):-

i) Expansion of Hazira plant of KRIBHCO in Gujarat.
ii) A new urea plant to be set up by KRIBHCO at the existing site of FCI`s Gorakhpur Plant in Uttar Pradesh.
iii) Expansion of Thal Plant of RCF in Maharashtra.
iv) A grassroots urea plant to be set up by IFFCO at Nellore in Andhra Pradesh.

Investment appraisal of all these four urea projects was undertaken by the PIB in July 1999.In June 2000, a proposal for taking a final investment decision on these projects was considered and deferred by the Government. This proposal was formulated taking into account the observations of the PIB regarding the viability of the projects, desirability ofencouraging use of liquefied natural gas as feedstock to reduce the incidence of subsidy and the need to stagger implementation of the proposed projects due to limited demand supply gap forecasts